

Message Text

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PAGE 01 BERN 04584 060733Z

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FOR COMMERCE

E.O. 11652: N/A
TAGS: ECRP SZ
SUBJ: CERP 0004: ECONOMIC TRENDS REPORT - SWITZERLAND

REF: A) BERN A213, OCTOBER 1, 1975; B) TURNER-KELLY LETTER,
OCTOBER 1, 1975

FOLLOWING ARE ANSWERS KEYED TO THE FOUR QUESTIONS RAISED
IN REFERENCE B:

A. PLEASE CORRECT CHANGE IN REAL GNP FOR 1974 FROM
INCREASE OF 0.2 PERCENT TO DECLINE OF 0.8 PERCENT IN TABLE
OF KEY ECONOMIC INDICATORS ON PAGE 2, LINE 2, AND PAGE 3,
FIRST PARAGRAPH OF REFAIR. SLIGHT INCREASE IN REAL GNP
WAS FIGURE RELEASED BY GOS EARLY THIS YEAR BUT SUBSEQUENT
REVISION OF NATIONAL ACCOUNTS DATA RESULTED IN CORRECTED
FIGURE OF 0.8 PERCENT DECLINE.

B. AS INDICATED IN BERN A-155, AMERICAN FIRMS IN
SWITZERLAND ARE NOT AS FAR AS THE EMBASSY KNOWS, HAVING
ANY SPECIAL WORK PERMIT PROBLEMS AT THE MOMENT. AS A
RESULT OF THE APPRECIATION OF THE FRANC AND THE RE-
CESSION NO US FIRMS OF SIGNIFICANCE HAVE SET UP SHOP
IN SWITZERLAND RECENTLY. EXISTING AMERICAN COMPANIES
HAVE MINIMIZED THEIR PERSONNEL TURNOVER, AND THE DEMAND
FOR NEW WORK PERMITS IS LOW AT THE PRESENT TIME. SOME
ARE REDUCING BOTH AMERICAN AND SWISS STAFF. DEMAND FOR
PERMITS WILL PROBABLY PICK UP, HOWEVER, WITH THE EX-
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PAGE 02 BERN 04584 060733Z

PECTED INCREASE IN ECONOMIC ACTIVITY NEXT YEAR WHILE

THE GOS' POLICY WILL UNDOUBTEDLY CONTINUE TO BE VERY RESTRICTIVE. THE LANGUAGE USED ON PAGE 4, FIRST PARAGRAPH, IS INTENTIONALLY SOMEWHAT MORE NEGATIVE THAN THE PRESENT SITUATION MIGHT WARRANT IN THE EXPECTATION THAT THE SITUATION MAY BECOME MORE DIFFICULT IN THE FUTURE AND TO FLAG THE WORK PERMIT PROBLEM AS ONE ANY NEW INVESTOR SHOULD INVESTIGATE CAREFULLY.

C. PLEASE SUBSTITUTE THE WORD "APPRECIATION" FOR THE WORK "REVALUATION" ON PAGE 4, FIRST FULL PARAGRAPH, SECOND LINE.

D. AS OF JANUARY 22, 1975, THE BAN ON INTEREST PAYMENTS ON NON-RESIDENT SWISS FRANC DEPOSITS APPLIES TO ALL SUCH DEPOSITS, REGARDLESS OF WHEN THEY WERE MADE. THE BAN DOES NOT APPLY TO CERTAIN TIME DEPOSITS WHERE THERE IS A CONTRACTUAL OBLIGATION TO PAY INTEREST UNTIL THE OBLIGATION EXPIRES. THE SF 50,000 FIGURE USED ON PAGE 6, FIRST FULL PARAGRAPH, SHOULD BE REPLACED BY SF 100,000.

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